

Resolution No.: 16-1241

Introduced: September 15, 2009

Adopted: January 19, 2010

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the
Maryland-National Capital Park and Planning Commission

SUBJECT: Amendment to the Maryland-National Capital Park and Planning Commission FY09-14 Capital Improvements Program for Silver Place/MRO Mixed Use Project, PDF #048701 to change the total funding and funding source from Certificates of Participation (COPs) to County Current Revenue and Park and Planning Current Revenue (ISF)

Background

1. Article 28, section 2-118(a)(6) of the Annotated Code of Maryland permits the County Council to amend the budget of the M-NCPPC by resolution on the Council's initiative, or at the request of the Commission, after receipt of a recommendation from the County Executive and after public hearing upon reasonable notice to the public.
2. M-NCPPC requests the following amendment to the FY09-14 Capital Improvements Program to **change the funding source** as follows:

Project Name	Project No.	Cost Element	Amount	Source of Funds
SilverPlace/MRO Mixed Use Project	048701	Planning, Design, Supervision	\$1,386,000	Change funding from COPs to Current Revenue - General
			\$600,000	Change funding from COPs to Park and Planning Current Revenue

3. The County Executive recommends an amendment to the FY09-14 CIP to change the funding source of a portion of the total appropriation of this project in the amount of \$1,570,000 and retaining \$416,000 as Certificates of Participation.
4. M-NCPPC requests that the County Council approve this amendment to the FY09-14 CIP to change the funding source for a portion of the total appropriation for this project, which was originally intended to be funded by Certificates of Participation (COPs). However, the Commission is no longer in a position to issue COPs due to time limits governing COPs, and requires County Current Revenue and Park and Planning Current Revenue as alternative funding sources.

5. The public was notified by a news release, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following actions:

1. An amendment to the FY09-14 Capital Improvements Program of the M-NCPPC to change the total project funding and the funding source of a portion of the appropriation of the SilverPlace/MRO Mixed Use Project as shown in the attached PDF.
2. The source of funding for this project should be changed as follows:

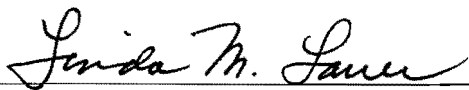
Project Name	Project No.	Cost Element	Amount	Source of Funds
SilverPlace/MRO Mixed Use Project	048701	Planning, Design, Supervision	\$970,000	Change funding from COPs to Current Revenue - General
			\$600,000	Change funding from COPs to Park and Planning Current Revenue (ISF)

3. Unspent appropriation should be eliminated from this project as follows:

Project Name	Project No.	Cost Element	Amount	Source of Funds
SilverPlace/MRO Mixed Use Project	048701	Planning, Design, Supervision	-\$416,000	Eliminate unspent funds (COPs)

4. The County Council declares that this action is necessary to act without delay in the public interest.

This is a correct copy of Council action.


 Linda M. Lauer, Clerk of the Council

SilverPlace/MRO Headquarters Mixed-Use Project -- No. 048701

Category M-NCPPC
 Subcategory Development
 Administering Agency M-NCPPC
 Planning Area Silver Spring

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

January 19, 2010
 No
 None
 On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	1,820	957	0	863	863	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	1,820	957	0	863	863	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	970	107	0	863	863	0	0	0	0	0	0
Current Revenue: Park and Planning	250	250	0	0	0	0	0	0	0	0	0
Current Revenue: P & P (ISF)	600	600	0	0	0	0	0	0	0	0	0
Total	1,820	957	0	863	863	0	0	0	0	0	0

OPERATING BUDGET IMPACT (\$000)

Maintenance				1	1	0	0	0	0	0	0
Energy				1	1	0	0	0	0	0	0
Program-Staff				1	1	0	0	0	0	0	0
Program-Other				1	1	0	0	0	0	0	0
Cost Savings				1	1	0	0	0	0	0	0
Offset Revenue				1	1	0	0	0	0	0	0
Net Impact				6	6	0	0	0	0	0	0

DESCRIPTION

The Maryland-National Capital Park and Planning Commission's administrative staff is divided among four locations in Silver Spring. The Montgomery Regional Office, the only location that M-NCPPC owns, is in poor condition, overcrowded, functionally obsolescent, and fails to serve the public adequately. It is located on a 3.24-acre site that can accommodate a consolidated headquarters building among other uses.

In order to develop the MRO site as a mixed-use development, M-NCPPC issued an RFP to obtain a private partner, obtained and ranked proposals from three developers, entered into a memorandum of understanding with a developer, and conducted a highly successful design charrette which resulted in a plan for 300 units of multifamily housing (30% affordable housing), a new headquarters building, and the realization of a number of public policy objectives. In late 2008, M-NCPPC and the developer were unable to reach agreement on key business terms and their relationship was terminated.

The proceeds of the sale of the residential portion of the MRO site are intended to be used to offset part of the cost of the new headquarters building. However, current economic conditions have negatively affected M-NCPPC's ability to market the residential portion of the site and have negated M-NCPPC's ability to obtain an appropriation for the capital cost of the new headquarters building at this time.

JUSTIFICATION

"MRO Location Assessment Study," completed in 2000. "MRO and Parkside: Consolidated Headquarters Study/ Space Requirements and Site Selection," completed in September 2003. Analyses of MRO HVAC, Electrical Systems, 2001. The Montgomery County Council approved the Silver Spring Central Business District and Vicinity Sector Plan in February 2000 and the M-NCPPC adopted it in March 2000. Housing Montgomery: Housing the People Who Make Montgomery County Work, approved by the Planning Board and County Council in 2003.

OTHER

Traffic signals, streetlights, crosswalks, bus stops, ADA ramps, bikeways, and other pertinent issues will be considered in the design of the project to ensure pedestrian safety.

FISCAL NOTE

FY10: Originally, M-NCPPC proposed to use Certificates of Participation as the financing mechanism for the headquarters building and to include pre-development expenditures in the COPs issuance as formerly stated in PDF No. 048701. M-NCPPC's bond advisors have informed M-NCPPC that in

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP																																							
<table> <tr> <td>Date First Appropriation</td><td>FY05</td><td>(\$000)</td></tr> <tr> <td>First Cost Estimate</td><td>FY10</td><td>1,820</td></tr> <tr> <td>Current Scope</td><td></td><td></td></tr> <tr> <td>Last FY's Cost Estimate</td><td></td><td>2,236</td></tr> <tr> <td>Appropriation Request</td><td>FY10</td><td>0</td></tr> <tr> <td>Supplemental Appropriation Request</td><td></td><td>-416</td></tr> <tr> <td>Transfer</td><td></td><td>0</td></tr> <tr> <td>Cumulative Appropriation</td><td></td><td>2,236</td></tr> <tr> <td>Expenditures / Encumbrances</td><td></td><td>1,820</td></tr> <tr> <td>Unencumbered Balance</td><td></td><td>416</td></tr> <tr> <td>Partial Closeout Thru</td><td>FY07</td><td>0</td></tr> <tr> <td>New Partial Closeout</td><td>FY08</td><td>0</td></tr> <tr> <td>Total Partial Closeout</td><td></td><td>0</td></tr> </table>	Date First Appropriation	FY05	(\$000)	First Cost Estimate	FY10	1,820	Current Scope			Last FY's Cost Estimate		2,236	Appropriation Request	FY10	0	Supplemental Appropriation Request		-416	Transfer		0	Cumulative Appropriation		2,236	Expenditures / Encumbrances		1,820	Unencumbered Balance		416	Partial Closeout Thru	FY07	0	New Partial Closeout	FY08	0	Total Partial Closeout		0		See Map on Next Page
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SilverPlace/MRO Headquarters Mixed-Use Project -- No. 048701 (continued)

order to be included in the COPs issuance, funds cannot have been expended more than three years in advance of the issuance. The delay in the SilverPlace schedule means that M-NCPPC will not be able to use COPs to fund pre-development expenditures. Accordingly, this PDF revises the funding source from COPs to Current Revenue: General in the amount of \$970,000 and Current Revenue: Park and Planning in the amount of \$600,000. The remaining COPs balance (\$416,000) is disappropriated as the project is temporarily on hold and neither the County or the Commission have the funds to continue with the design.

OTHER DISCLOSURES

- A pedestrian impact analysis will be performed during design or is in progress.